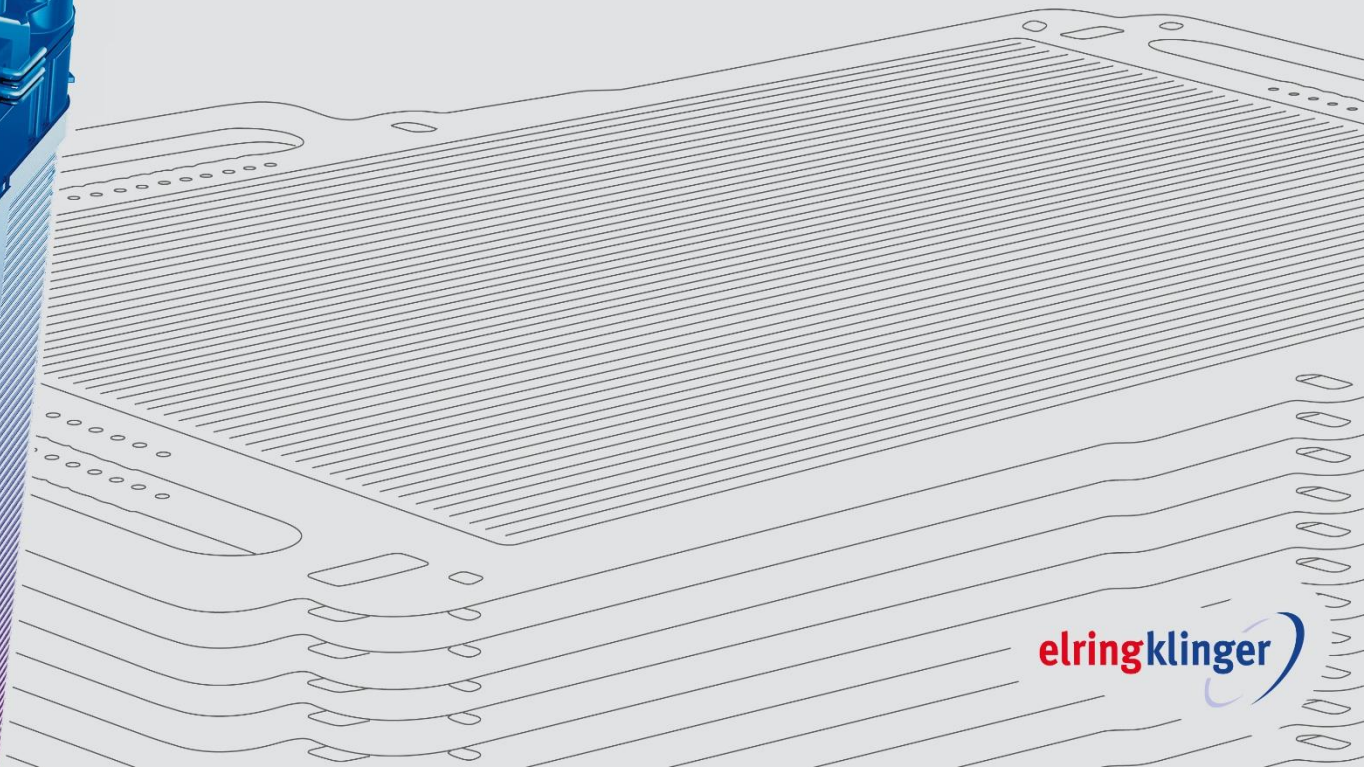
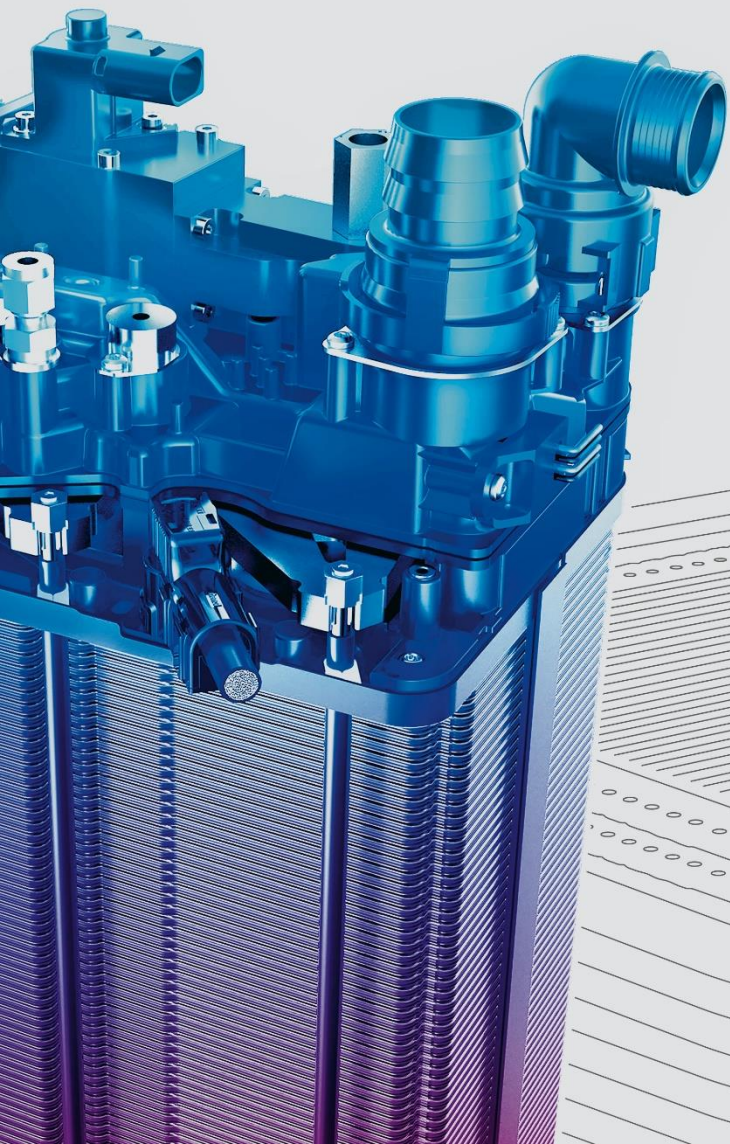


# Conference Call on Q3 2020

November 10, 2020



## Q3 2020 – a quarter on the path of recovery

- **Auto markets gathered pace in Q3**, however, 15.3 million less light vehicles produced after nine months compared to last year
- **Sales rose substantially** on the back of recovering markets to EUR 381m (Q2 2020: EUR 252m), but declined by 11.8% compared to Q3 2019, organically down by -7.5%
- **EBIT at EUR 18.9m** driven by upturn in markets and the global Group Efficiency Program, **EBIT margin at 5.0%** (Q3 2019: 4.7 %)
- **Strong operating free cash flow** of EUR 78.6m
- **Net debt further scaled back** by EUR 83m year-to-date despite downturn in business
- **Strong news flow on fuel cell technology**
  - Strategic partnership with Airbus to target aviation market
  - Contract with zepp.solutions to deliver fuel cell stacks for logistic centers and ports
  - Creation of EKPO Fuel Cell Technologies, a JV between ElringKlinger and Plastic Omnium, to unlock the vehicles market potential in particular

Strategic partnership with Airbus

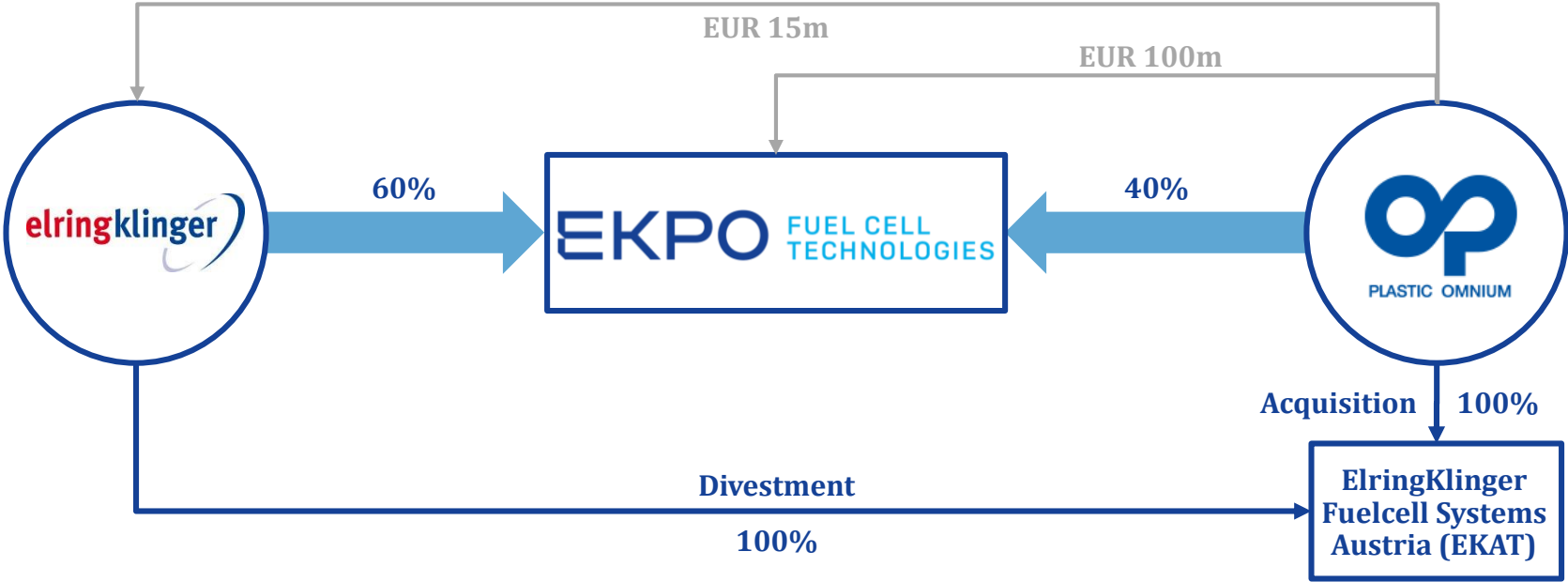
# Jointly developing fuel cell technology for the aeronautic sector



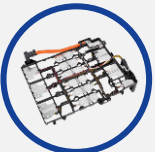
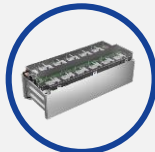

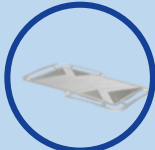





Strategic alliance with Plastic Omnium

# Joint development and production of fuel cell stacks and components

## EKPO FUEL CELL TECHNOLOGIES



# The rationale of the deal for ElringKlinger

	Components	Modules	Systems
Battery			
Fuel cell			
Electric drive unit			

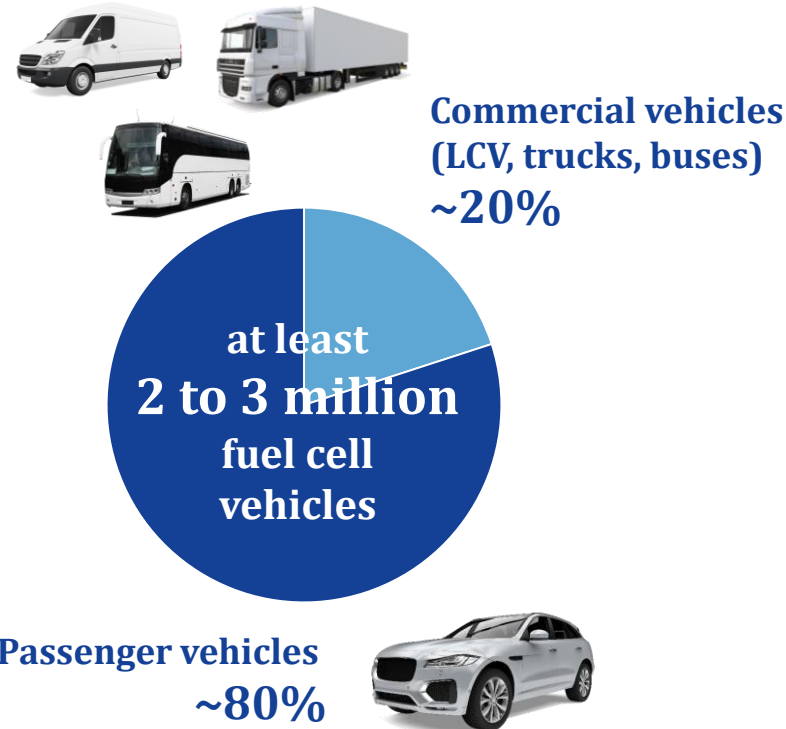


- (1) Bringing existing fuel cell technology to **large-scale production** in order to realize economies of scale
- (2) Maintaining a **close regular supply relationship** to a fuel cell systems partner while **offering solutions to all existing and potential customers**
- (3) Accelerating the **development of the next generation** of fuel cell technology

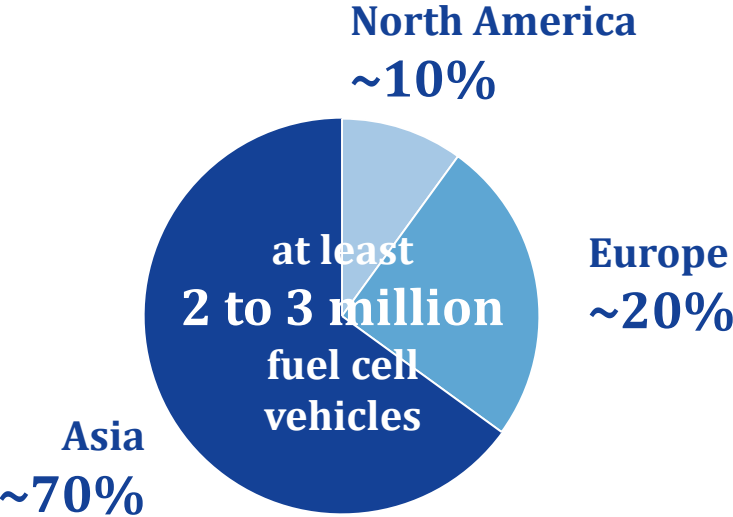
Strategic alliance with Plastic Omnium

# Strong ambitions to unlock the market potential

Market potential 2030 by segment



Market potential 2030 by region



Estimates of segment split and number of vehicles based on ElringKlinger and Plastic Omnium research

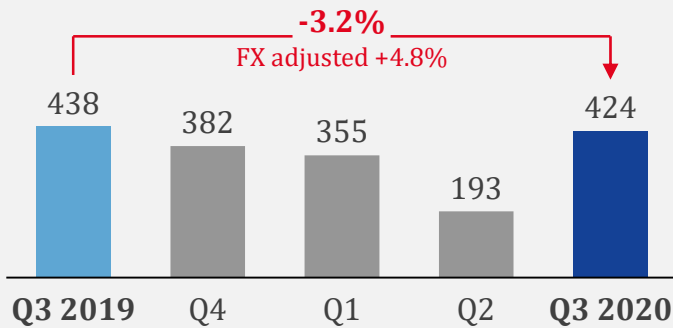
# Financials



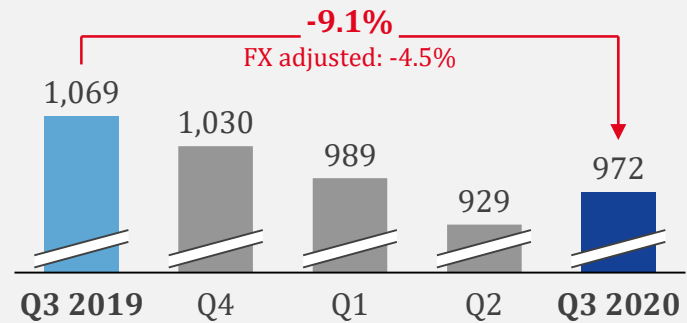
Q3 2020

## Solid recovery in sales and particularly in orders

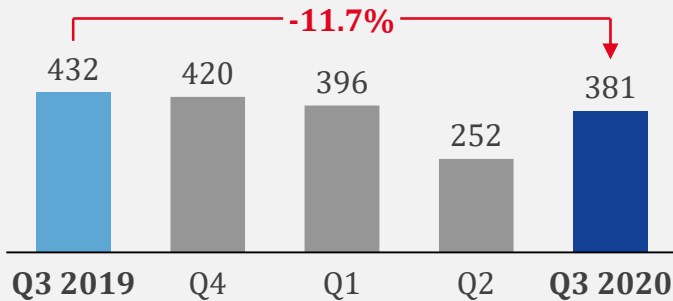
Order intake – in EUR million



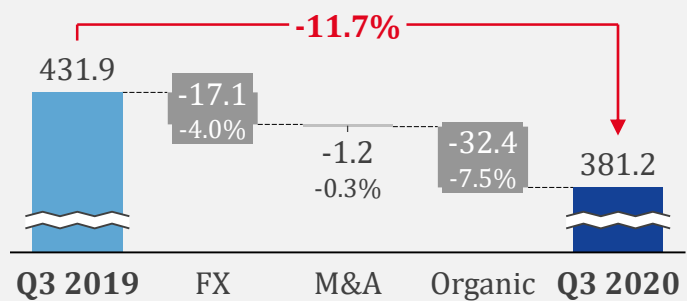
Order backlog – in EUR million



Sales – in EUR million



Sales bridge – in EUR million/ in %

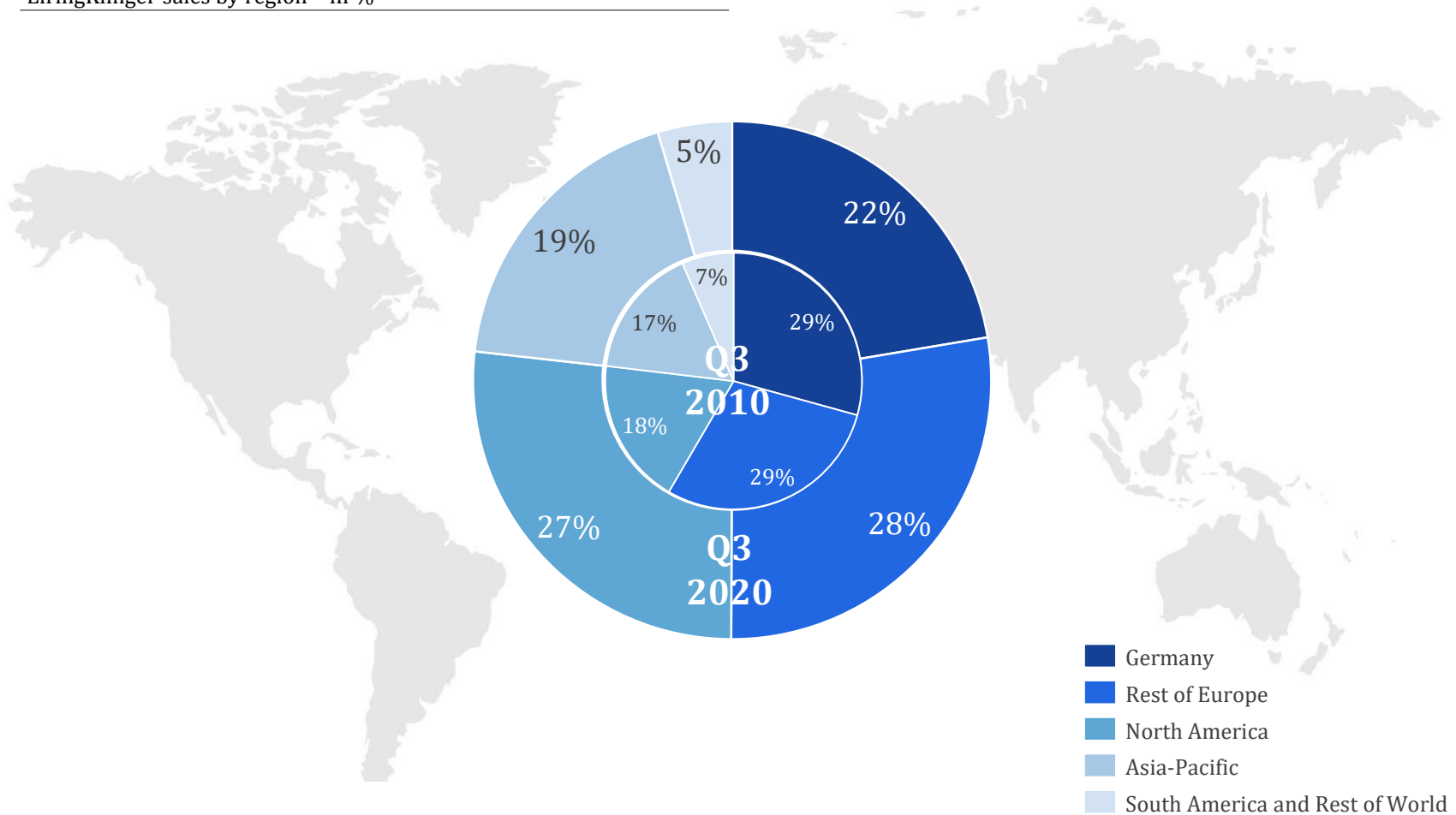




Q3 2020

## Quite dynamic quarter in North America, robust in China

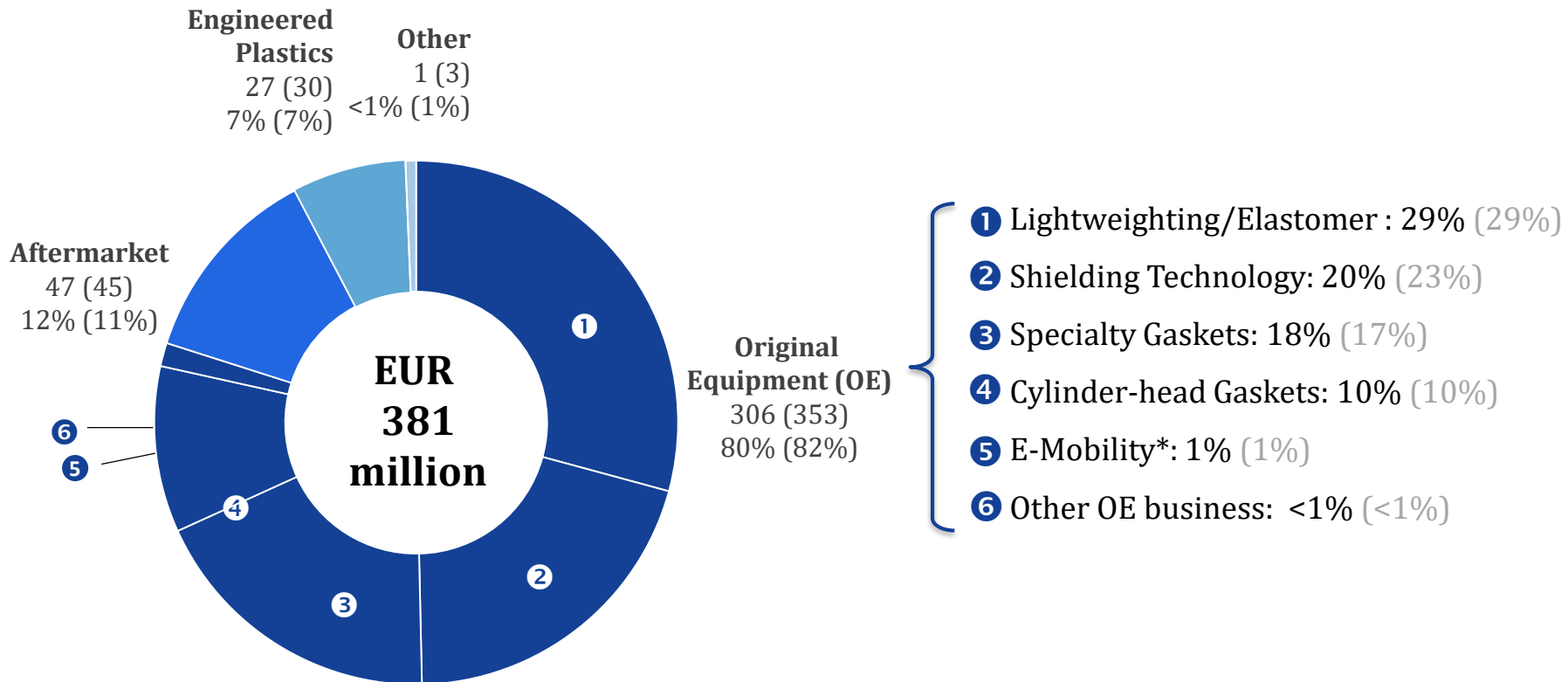
ElringKlinger sales by region - in %



Q3 2020

# Lightweighting and Gaskets quite robust within OE segment

Sales by segment – in EUR million  
Share of total sales – in %



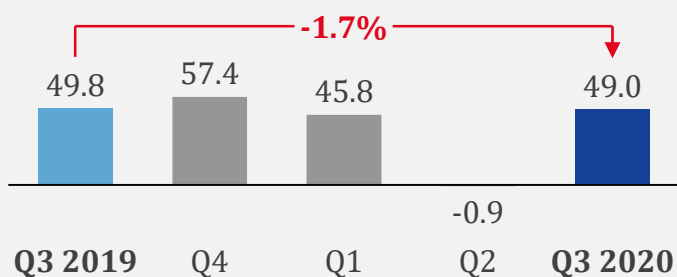
Previous year's Q3 figures in brackets

\* incl. battery, fuel cell and drivetrain business

Q3 2020

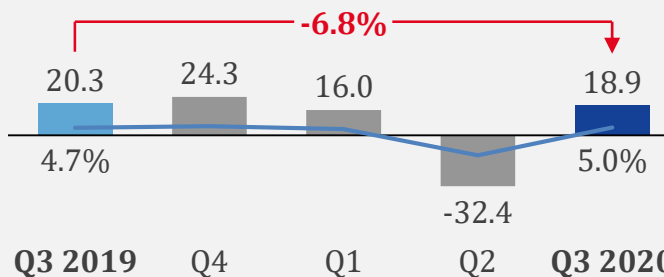
## Efficiency enhancement program takes effect

EBITDA - in EUR million

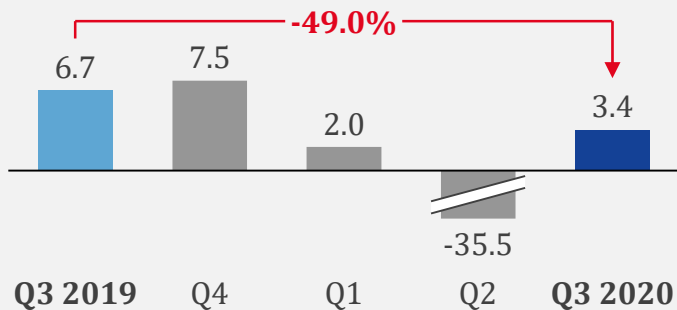


EBIT - in EUR million

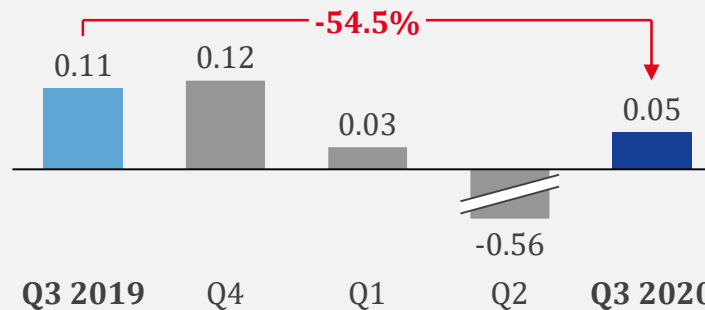
EBIT margin - in % of total sales



Net income (attr. to shareh.) - in EUR million



Earnings per share - in EUR

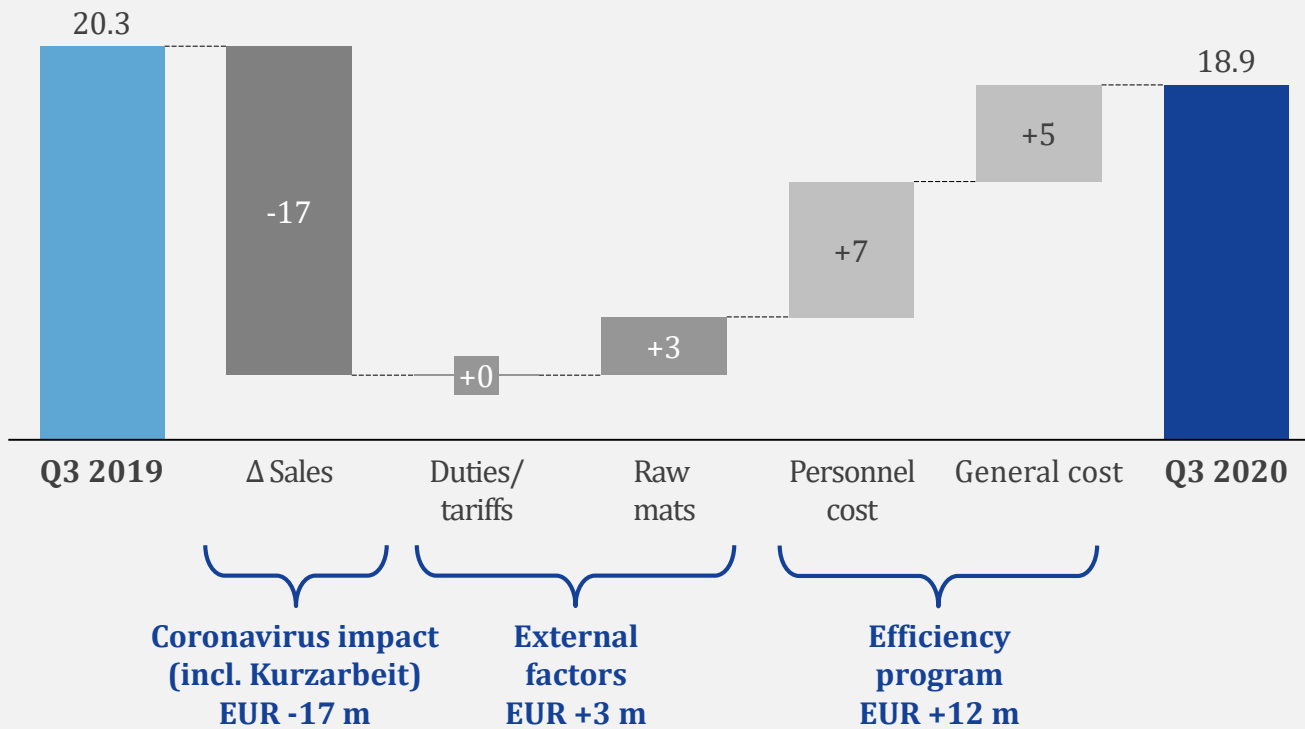


Differences due to rounding

Q3 2020

## Like previous quarter: Cost efficiency gains offset by coronavirus

EBIT bridge – in EUR million

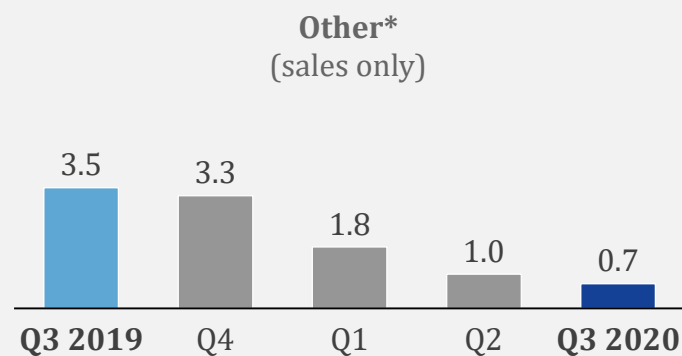
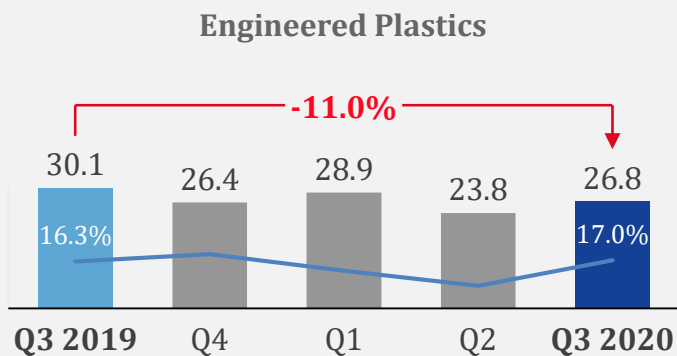
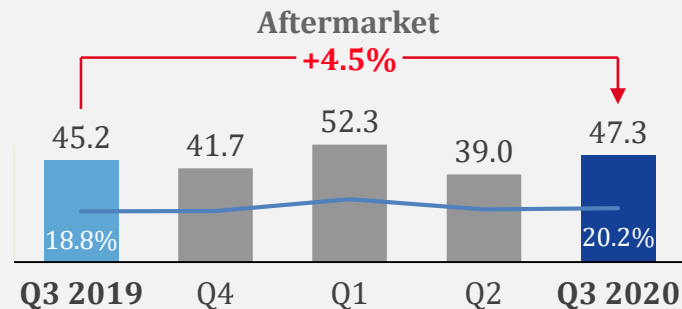
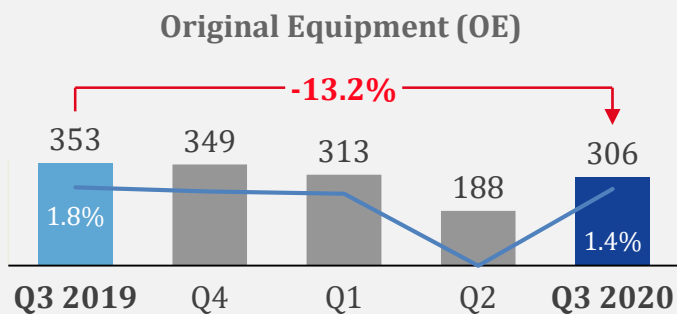


Differences due to rounding

Q3 2020

## A solid quarter for Aftermarket and Engineered Plastics

Sales – in EUR million  
EBIT margin – in % of segmental sales

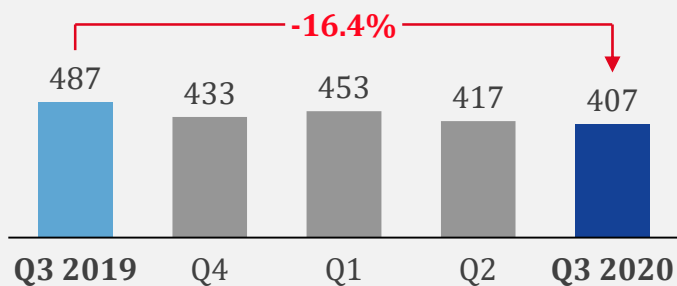


\* As from FY 2020 excluding the industrial park in Hungary divested in Q4 2019

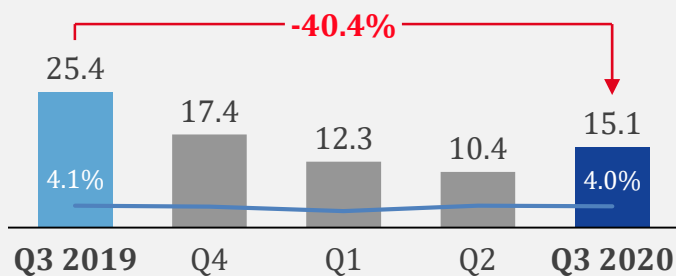
Q3 2020

## Strong cash flow due to improved financial framework

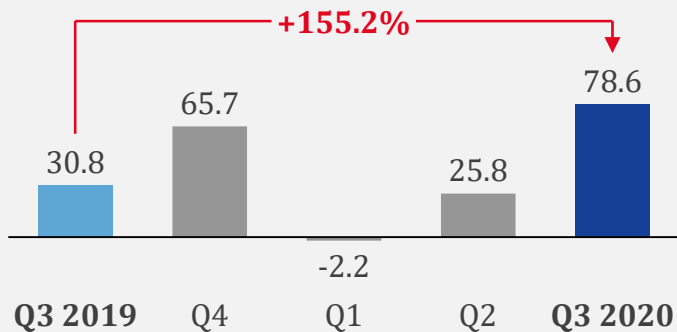
Net working capital – in EUR million



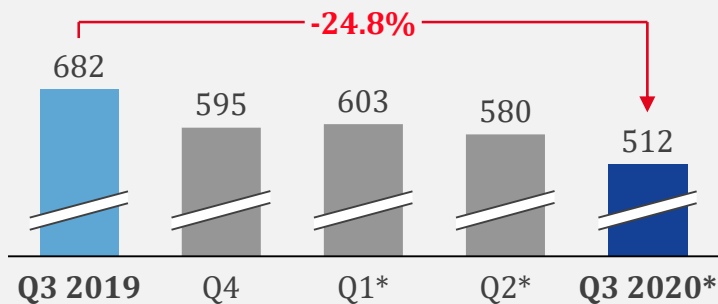
Capex (in PPE) – in EUR million  
Capex ratio – in % of total sales



Operating free cash flow – in EUR million



Net financial debt – in EUR million



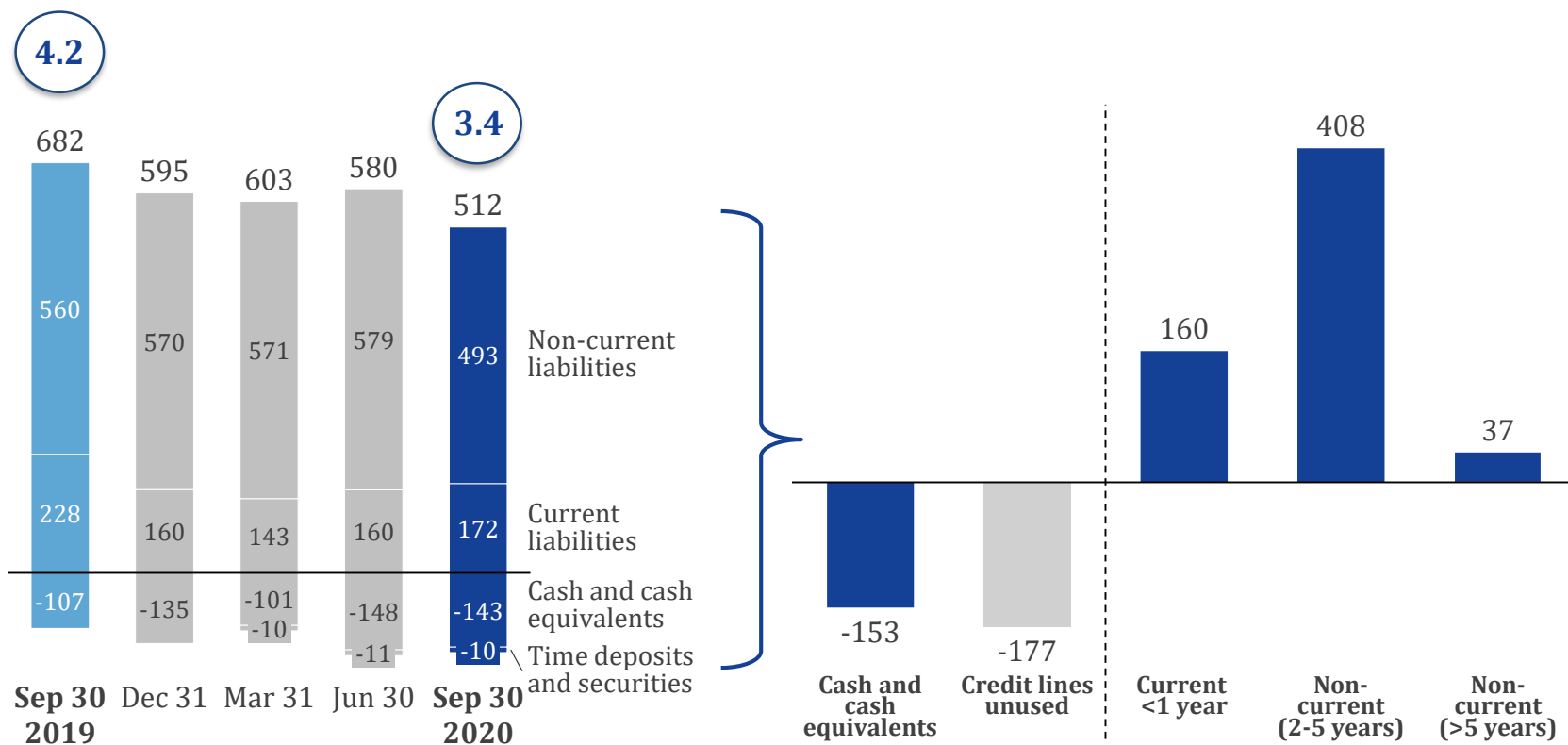
\*As from FY 2020 reduced by time deposits and current securities (Q3: EUR 10.3 million)

## Net financial debt and maturity structure

# Further reduced net financial debt

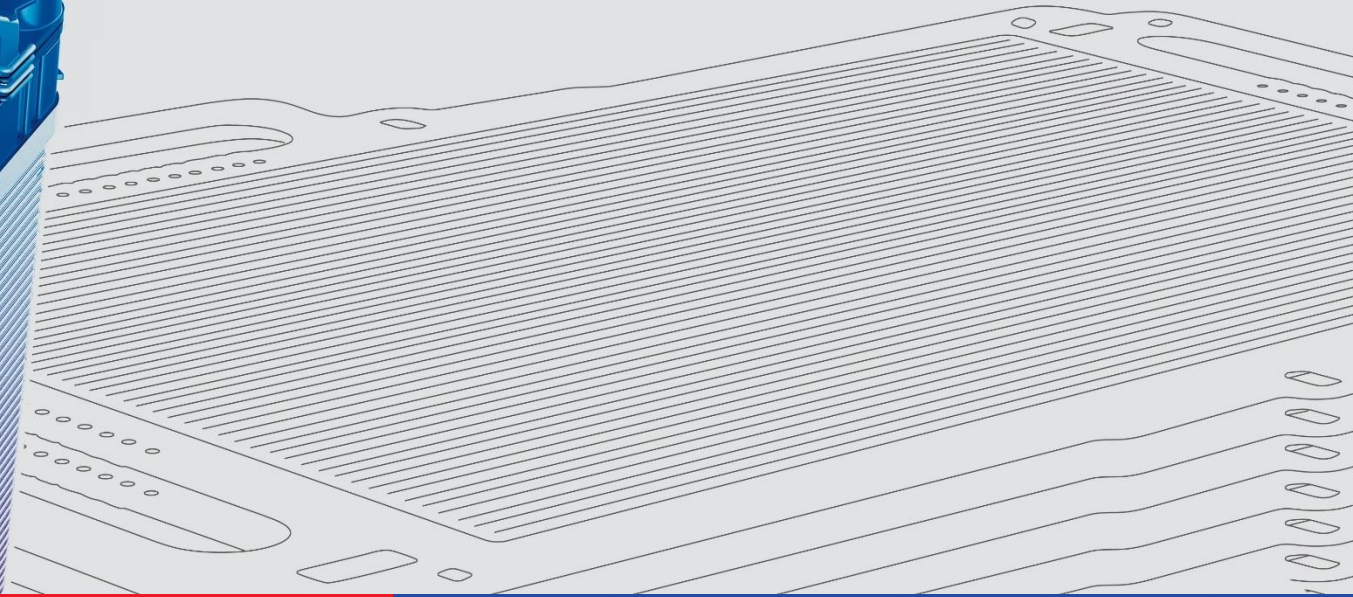
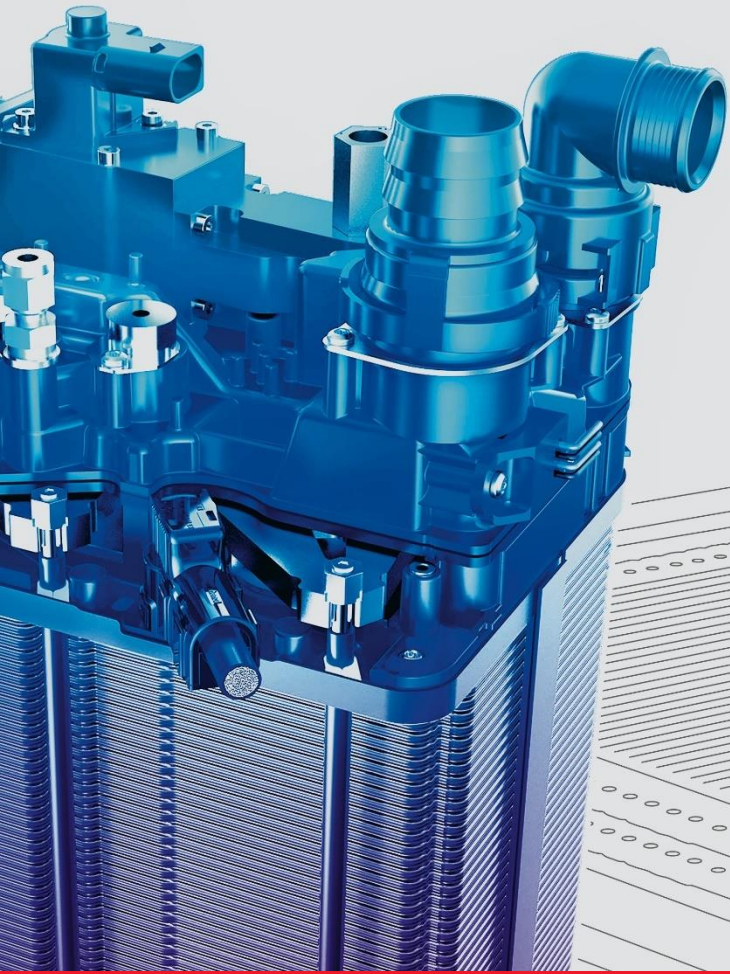
Net financial debt – in EUR million  
Net financial debt/EBITDA

Maturity structure of financial debt (excl. IFRS 16) – in EUR m



Differences due to rounding

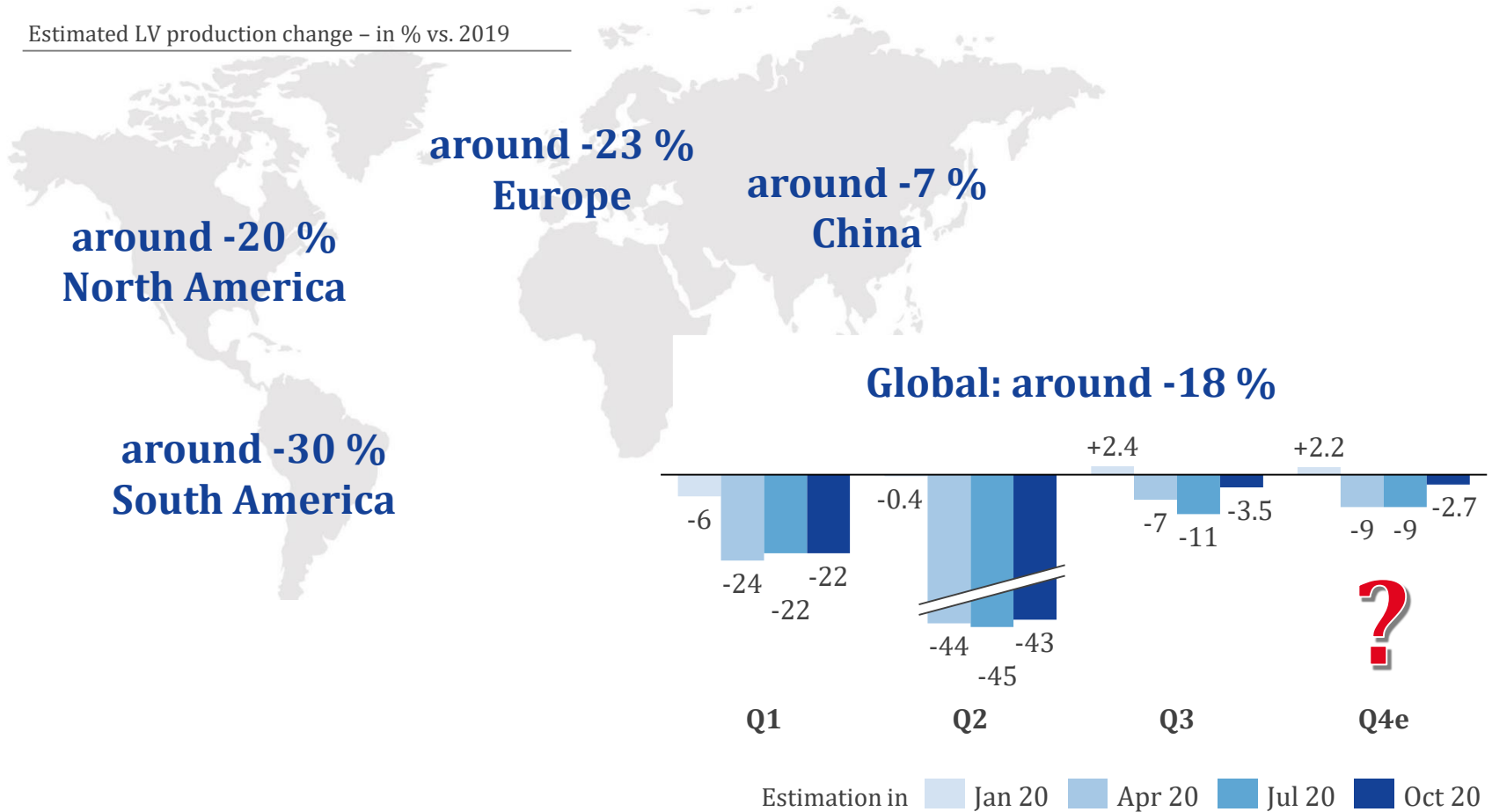
# Outlook





# Market forecast for FY 2020 remains uncertain

Estimated LV production change – in % vs. 2019



Source: IHS (01, 04, 07, 10/2020), JP Morgan, ElringKlinger Research

## 2020 – A year dominated by the coronavirus pandemic

# 2020

(incl. coronavirus)



LV production:  
approx. -18 %



Organic sales:  
Slightly better than  
global markets



EBIT margin (before one-off):  
noticeably below previous  
year's level  
(FY 2019: 3.5 %)

\* Excluding a compensation by the Airbus agreement

# Mid-term

LV production CAGR:  
+2%

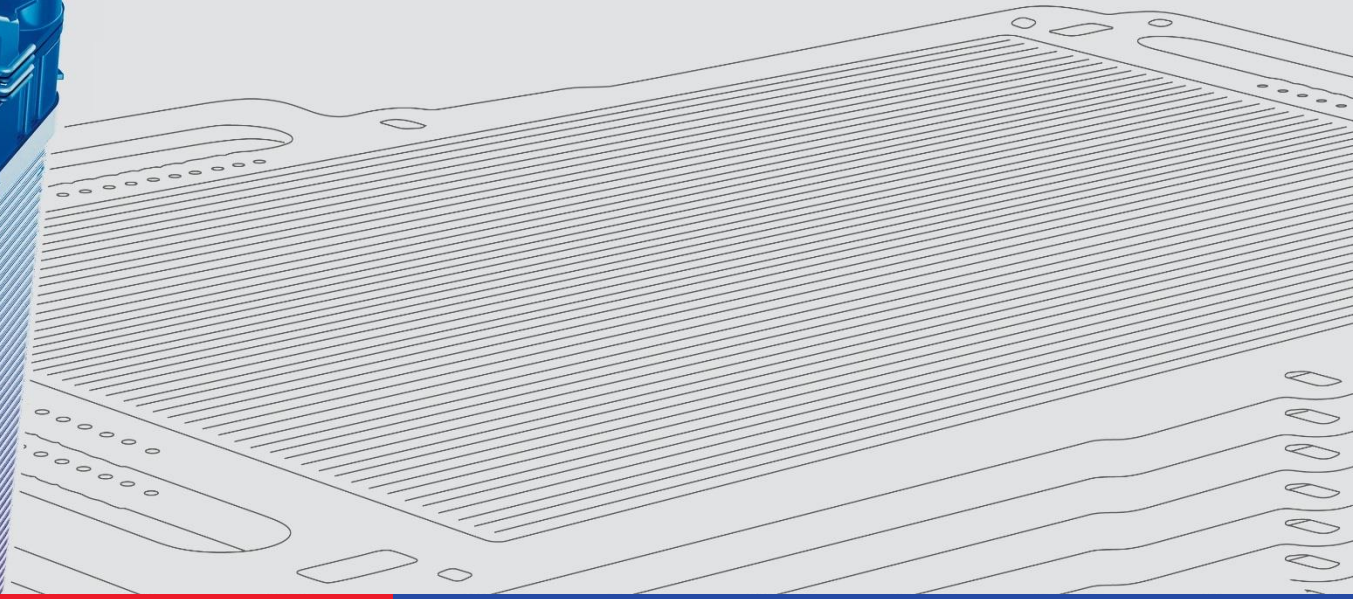
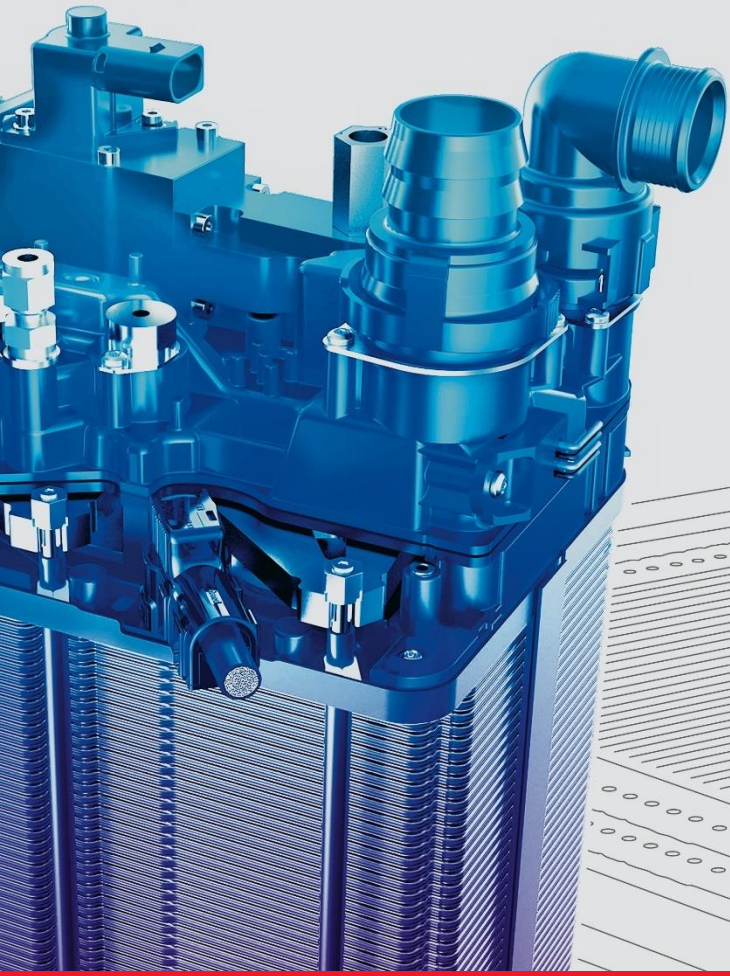
Organic sales:  
better than global markets

EBIT margin:  
Successive improvement

## Further indicators for FY 2020 and in the medium term

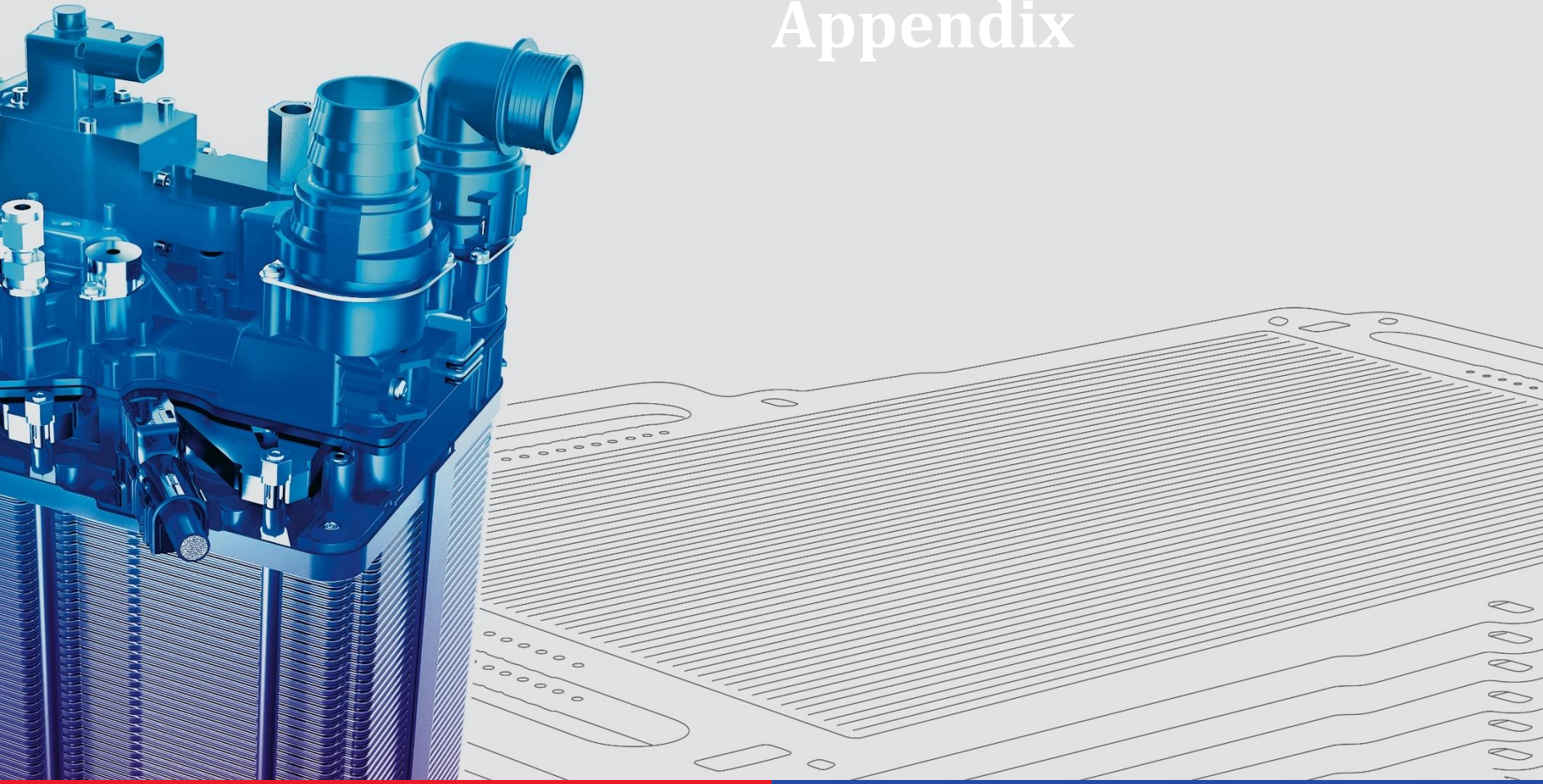
		<b>FY 2019 actual</b>	<b>FY 2020 expected (incl. coronavirus)</b>	<b>Mid-term</b>
<b>ROCE</b>	in %	3.4%	Below prior year level	Year-on-year improvement
<b>R&amp;D costs</b> (incl. capitalization)	in % of total sales	4.7%	~ 5 - 6%	~ 5 - 6%
<b>Capex</b> (in PPE)	in % of total sales	5.3%	Below 5%	Continuation of disciplined approach
<b>Net working capital</b> (NWC)	in % of total sales	24.5%	On prior year level	~ 25% of Group revenue
<b>Operating FCF</b>	in EUR million	175.8	Positive	Positive
<b>Equity ratio</b>	in % of total assets	41.5%	40 - 50%	40 - 50%
<b>Net debt/EBITDA</b>		3.3	Above prior year level	<2.0

Q&A



elringklinger

# Appendix



Group – Q3 2020

## Consolidated income statement

	Q3 2020	Q3 2019
<b>Sales revenue</b>	<b>381.2</b>	<b>431.9</b>
Cost of sales	296.3	340.1
<b>Gross profit</b>	<b>84.8</b>	<b>91.8</b>
Gross margin	22.3	21.3
	in %	
Selling expenses	-25.5	-32.6
General and administrative expenses	-19.2	-21.3
Research and development costs	-13.6	-16.1
Other operating income	1.9	2.1
Other operating expenses	-9.6	-3.5
<b>Operating result (EBIT)</b>	<b>18.9</b>	<b>20.3</b>
Finance income	6.9	12.2
Finance costs	-14.7	-15.3
Share of result of associates	-2.0	-2.0
<b>Net finance costs</b>	<b>-9.8</b>	<b>-5.0</b>
<b>Earnings before taxes (EBT)</b>	<b>9.2</b>	<b>15.3</b>
Income tax expenses	-6.3	-8.2
<b>Net income</b>	<b>2.9</b>	<b>7.2</b>
of which: attributable to non-controlling interests	-0.6	0.5
of which: attributable to shareholders of ElringKlinger AG	3.4	6.7
<b>Basic and diluted earnings per share (EPS)</b>	<b>0.05</b>	<b>0.11</b>
	in EUR	

All figures in EUR million unless otherwise describe, differences due to rounding

Group – Q3 2020

## Consolidated statement of financial position

Assets	As of Sep 30, 2020	As of Dec 31, 2019	Liabilities and equity	As of Sep 30, 2020	As of Dec 31, 2019
Intangible assets	208	208	Share capital	63	63
Property, plant, and equipment	972	1,044	Capital reserves	118	118
Investment property	3	3	Revenue reserves	695	725
Financial assets	4	4	Other reserves	-86	-52
Shares in associates	18	24	<b>Equity attr. to shareh. of ElringKlinger AG</b>	<b>791</b>	<b>854</b>
Non-current income tax assets	0	0	Non-controlling interest in equity	35	37
Other non-current assets	4	5	<b>Equity</b>	<b>826</b>	<b>891</b>
Deferred tax assets	22	15	Provisions for pensions	149	148
Contract performance costs	5	9	Non-current provisions	18	19
Non-current contract assets	1	2	Non-current financial liabilities	493	570
<b>Non-current assets</b>	<b>1,237</b>	<b>1,314</b>	Non-current contract liabilities	9	12
Inventories	317	356	Deferred tax liabilities	14	16
Current contract assets	9	11	Other non-current liabilities	8	8
Trade receivables	227	233	<b>Non-current liabilities</b>	<b>691</b>	<b>774</b>
Current income tax assets	6	8	Current provisions	15	18
Other current assets	75	90	Trade payables	137	157
Cash and cash equivalents	143	136	Current financial liabilities	172	160
<b>Current assets</b>	<b>777</b>	<b>832</b>	Current contract liabilities	30	20
Assets held for sale	0	0	Tax payable	19	17
<b>Total assets</b>	<b>2,015</b>	<b>2,147</b>	Other current liabilities	125	110
			<b>Current liabilities</b>	<b>498</b>	<b>482</b>
			<b>Total liabilities and equity</b>	<b>2,015</b>	<b>2,147</b>

All figures in EUR million, differences due to rounding

Group – Q3 2020

## Consolidated statement of cash flows

	Q3 2020	Q3 2019		Q3 2020	Q3 2019
Earnings before taxes (EBT)	9	15	Proceeds from disposals of PPE, intangible assets and investment property	17	0
Depreciation/amortization (less write-ups) of non-current assets	30	30	Proceeds from disposals of financial assets	0	1
Net interest	5	5	Proceeds from the disposal of subsidiaries	0	0
Change in provisions	0	2	Payments for investments in intangible assets	-2	-3
Gains/losses on disposal of non-current assets	0	0	Payments for investments in PPE and investment property	-15	-25
Share of result of associates	2	2	Payments for investments in financial assets	0	-2
Change in inventories, trade receivables and other assets not resulting from financing and investing activities	-6	20	Payments made/received for the acquisition of subsidiaries and other entities	0	0
Change in trade payables and other liabilities not resulting from financing and investing activities	42	4	<b>Net cash from investing activities</b>	<b>0</b>	<b>-29</b>
Income taxes paid	-3	-6	Dividends paid to shareholders and to non-controlling interests	0	0
Interest paid	-5	-6	Proceeds from addition of long-term loans	36	3
Interest received	0	0	Payments for the repayment of long-term loans	-94	-18
Other non-cash expenses and income	5	-7	Changes in current loans	-23	3
<b>Net cash from operating activities</b>	<b>78</b>	<b>59</b>	<b>Net cash from financing activities</b>	<b>-81</b>	<b>-12</b>
			Changes in cash	-2	18
			Effects of currency exchange rates on cash	-3	1
			Cash at beginning of the period	147	88
			<b>Cash at end of period</b> (as per financial statement)	<b>143</b>	<b>107</b>

All figures in EUR million, differences due to rounding



## Group – Q3 2020

# Key figures

	Q3 2020	Q3 2019	Δ abs.	Δ rel.
Order intake	423.6	437.6	-14.0	-3.2 %
Order backlog	971.8	1,068.7	-96.9	-9.1 %
Sales	381.2	431.9	-50.7	-11.7 %
EBITDA	49.0	49.8	-0.8	-1.6 %
EBIT	18.9	20.3	-1.4	-6.9 %
EBIT margin (in %)	5.0	4.7	-0.3 PP	-
EBT	9.2	15.3	-6.1	-39.9 %
Net income attributable to shareholders	3.4	6.7	-3.3	-49.3 %
Earnings per share (in EUR)	0.05	0.11	-0.06	-54.5 %
Capex (in PPE)	15.1	25.4	-10.3	-40.6 %
Operating free cash flow	78.6	30.8	+47.8	>+100.0 %
Net working capital <sup>1</sup>	407.3	487.0	-79.7	-16.4 %
Equity ratio (in %)	41.0	40.7	+0.3 PP	-
Net financial debt <sup>2</sup>	512.4	681.5	-169.1	-24.8 %
Employees (as at quarter-end)	9,770	10,492	-722	--6.9 %

<sup>1</sup>Incl. current contract assets, less current contract liabilities

<sup>2</sup>As from FY 2020 reduced by time deposits and current securities

All figures in EUR million unless otherwise described, differences due to rounding

## Group – Last 5 quarters

# Key figures

	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Order intake	424	193	355	382	438
Order backlog	972	929	989	1,030	1,069
Sales	381	252	396	420	432
EBITDA	49.0	-0.9	46	57	50
EBIT (reported)	18.9	-32.4	16.0	24.3	20.3
EBIT margin (reported) (in %)	5.0	-12.8	4.0	5.8	4.7
EBT	9.2	-38.7	6.2	19.5	15.3
Net income attributable to shareholders	3.4	-35.5	2.0	7.5	6.7
Earnings per share (in EUR)	0.05	-0.56	0.03	0.12	0.11
Capex (in PPE)	15.1	10.4	12.3	17.4	25.4
Operating free cash flow	78.6	25.8	-2.2	65.7	30.8
Net working capital <sup>1</sup>	407	417	453	433	487
Equity ratio (in %)	41.0	40.5	41.7	41.5	40.7
Net financial debt <sup>2</sup>	512	580	603	595	682
Employees (as at quarter-end)	9,770	9,991	10,373	10,393	10,492

<sup>1</sup>Incl. current contract assets, less current contract liabilities

<sup>2</sup>As from FY 2020 reduced by time deposits and current securities

All figures in EUR million unless otherwise described, differences due to rounding

Group – Last 5 quarters

## Segmental figures

		Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
<b>Group</b>	Sales	381.2	252.2	396	420	432
	EBIT (reported)	18.9	-32.4	16.0	24.3	20.3
	EBIT margin (in %)	5.0	-12.8	4.0	5.8	4.7
<b>Original Equipment</b>	Sales	306.4	188.4	313	349	353
	EBIT (reported)	4.3	-40.5	-0.3	2.0	6.4
	EBIT margin (in %)	1.4	-21.4	-0.1	0.6	1.8
<b>Aftermarket</b>	Sales	47.3	39.0	52.3	41.7	45.2
	EBIT (reported)	9.6	7.7	12.8	7.9	8.5
	EBIT margin (in %)	20.3	19.7	24.5	18.9	18.8
<b>Engineered Plastics</b>	Sales	26.8	23.8	28.9	26.4	30.1
	EBIT (reported)	4.5	1.3	3.5	5.2	4.9
	EBIT margin (in %)	16.8	5.5	12.1	19.7	16.3
<b>Others</b>	Sales	2.5	1.0	1.8	3.3	3.6
	EBIT (reported)	0.5	-0.8	-0.0	9.3*	0.5
	EBIT margin (in %)	20.0	n.a.	-0.0	>+100	13.9

All figures in EUR million unless otherwise described, differences due to rounding

\*incl. EUR 8.6m from the sale of the industrial park in Hungary

# Disclaimer

## **Forward-looking statements and predictions**

This presentation contains statements about the future. These statements are based on current expectations, market evaluations and predictions by the Management Board, and on information that is currently available to them. The statements about the future should not be interpreted as guarantees of the future developments and results that they refer to. Whilst the Management Board is convinced that the statements that have been made, and the convictions and expectations on which they are based, are realistic, they rely on suppositions that may conceivably prove to be incorrect; future results and developments are dependent on a multitude of factors, they involve various risks and imponderabilities that can affect whether the ongoing development deviates from the expectations that have been expressed. These factors include, for example, changes to the general economic and business situation, variations of exchange rates and interest rates, poor acceptance of new products and services, and changes to business strategy.